

Louisiana Property and Casualty  
Insurance Commission  
Louisiana Department of Insurance  
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Louisiana Property and Casualty  
Insurance Commission  
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Commissioner Wooley Urges Louisiana Residents to  
“Get Even Smarter” about Their Insurance Coverage

In the wake of the 2005 hurricane season, more and more people are wondering exactly what insurance they should have on their homes and automobiles. One of the many things Hurricanes Katrina and Rita taught us is that we all need to know if we have the right insurance in the right amounts. That’s why as part of the National Association of Insurance Commissioner’s (NAIC) “Get Smart” program, the Department of Insurance is encouraging consumers to “Get *Even Smarter*” about their insurance coverage at the start of the new year.

“Until something goes wrong, most of us are content just to know we have insurance, even though we don’t necessarily understand what all is covered in our policies,” Commissioner of Insurance Robert Wooley says. “Not knowing exactly what is in your insurance policies could leave you with the wrong insurance or less coverage than you need when a loss occurs.”

Commissioner Wooley says consumers who were not required by their mortgage lender to purchase *flood insurance* when they bought their homes should not assume their property won’t be damaged due to flood. “Homeowners insurance doesn’t cover flooding, so a separate flood insurance policy must be purchased if you want that coverage,” the Commissioner warns. Consumers can also buy a *flood insurance contents policy* to cover their furniture, clothing and other items that could be lost if their home is flooded.

*Excess flood insurance coverage* is also available for homeowners needing more than the NFIP flood policy limit of \$250,000 on the home and \$100,000 on contents. “For coverage above \$250,000/\$100,000, contact your insurance agent or company and ask about purchasing excess flood insurance on your home and on its contents through a private insurance company,” says Wooley.

Commissioner Wooley says other levels of coverage to look for in your homeowners insurance policy include whether your home or your contents are insured for their *actual cash value*, which is the replacement cost minus depreciation, or for the *replacement cost*, which is the actual cost without deducting for depreciation.

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Louisiana Property and Casualty Insurance Commission-Monthly Report

- ◆ The *Monthly Report* is the newsletter of the Louisiana Property and Casualty Insurance Commission, Louisiana Department of Insurance, 1702 N. 3rd Street, 3rd Floor, P.O. Box 94214, Baton Rouge, LA 70804-9214 225-342-7187 (PH) 225-342-6057 (FX)
- ◆ The *Monthly Report* may be reprinted with prior permission.
- ◆ The Louisiana Property and Casualty Insurance Commission was created by the enactment of R.S. 22:15 in the 2001Regular Session of the Louisiana Legislature to review and examine the availability and affordability of property and casualty insurance in the state of Louisiana. The commission will also undertake a comprehensive study and provide oversight and enforcement recommendations of the effectiveness of law enforcement and implementation of programs aimed at enforcement throughout the state of those laws and programs which affect property and casualty insurance rates.

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Here are more ways to “Get Smart” about your insurance:

Call the Department of Insurance at 1-800-259-5300 or visit our Web site, [www.lidi.state.la.us](http://www.lidi.state.la.us). Click on the “Get Smart” icon for tips and up-to-date information about all types of insurance coverage.

Schedule a routine “check-up” with your insurance providers at least once a year. Inquire about the cost benefit of opting for higher deductibles. Ask specifically about discounts for good driving records, good health, good grades and special education or training.

Shop around for identical products and services. Not every company charges the same rate. Remember, an insurance policy is a legal document. Read it carefully.

“The Department is not only your best source for all insurance-related questions, but we also have the best understanding of the insurance issues specific to Louisiana,” Commissioner Wooley adds.<sup>1</sup>

Source 1: LADOI

### Newly Appointed Deputy Commissioner

Clarissa A. Preston has been appointed Deputy Commissioner for the Office of Property and Casualty at the Department of Insurance. This office includes the divisions of Insurance Rating and Policy Forms, Consumer Affairs and the Louisiana Property and Casualty Insurance Commission.

Commissioner Wooley chose Ms. Preston in December to fill the position vacated by Ms. Paula Davis, the former deputy commissioner who returned to the private sector.

Ms. Preston has been with the Department of Insurance since 1997, beginning her career in the Agent Licensing Division. She has also worked in the Office of Management and Finance before moving to the Property and Casualty Division, most recently holding the position of Director of Insurance Rating and Policy Forms.

A native of New Orleans, Louisiana and a graduate of McDonough # 35 High School, she received her Bachelor of Arts degree in Sociology from Louisiana State University in Baton Rouge in 1994. She is a Certified Insurance Counselor, a Commissioned Civil Law Notary Public and a Paralegal. Ms. Preston is very active in her community through professional and civic organizations, serving as president of the Kiwanis Club of South Baton Rouge.

#### Louisiana Property and Casualty Insurance Commission Members

Commissioner Robert Wooley  
Jeff Albright  
Col. Jim Champagne  
Chuck McMains  
Terry Lisotta  
H. “Marc” Carter  
Senator James David Cain

Representative Karen Carter  
Senator Donald Cravins  
Earl Taylor  
Kay Hodges  
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Tom O’Neal  
Theodore “Ted” Haik, Jr  
Aubrey T. Temple, Jr.  
Nicholas Gachassin  
Richard Clements  
Chad Brown  
Lorrie Brouse

## Uniform Building Code Legislation- Act Number 12

During the 2005 1st Extraordinary Session in November, a bill that created a mandatory and uniform statewide building code passed the Louisiana Legislature. This important legislation headed by Senator Ken Hollis and Representative Gil Pinac will ensure that the state will be rebuilt stronger and more structurally resistant to natural disasters.

Representative Pinac stated that the code would have saved approximately \$8 billion in cleanup and recovery costs if it had been in place before Hurricanes Katrina and Rita. The International Codes (I-Codes) that the state adopted were developed by the International Code Council. The International Code Council Foundation is opening an office in Louisiana to help with the recovery effort.

Most hurricane-prone states enforce the I-Codes or state codes based on the I-Codes for residential and commercial buildings. These codes contain the latest technologies for building construction, and are based upon valuable lessons learned over the years. They provide state-of-the-art requirements for hurricane resistance, based on wind speed data collected from previous hurricanes. To protect against flying debris, I-Codes address window, garage, and door protection such as shutters and impact-resistant windows. The codes are also instrumental in the design of hurricane resistant roof tie-downs and exterior facings.

The new and tougher building codes will go into effect in March for all of Louisiana’s coastal parishes which include: Calcasieu, Cameron, Iberia, Vermilion, Terrebonne, Lafourche, Jefferson, Orleans, Plaquemines, St. Bernard and St. Tammany. The code requires homes and businesses built along the Gulf Coast to withstand winds of 130 to 150 miles per hour. The rest of the state will comply by January 1, 2007.

Even though there may be a higher initial cost, homes and commercial buildings constructed under the I-Codes are less likely to be destroyed during a natural disaster, reducing the costs to the property owner. The added level of protection will pay off in the long run for everybody.

Eight months after Hurricane Charley hit Punta Gorda, Florida, Commissioner Wooley was able to view the pre-Andrew, pre-uniform building code neighborhoods where many homes were destroyed. Across the street, homes built to code, post-Andrew, stood with minimal damage.

A significant step has been taken by the state of Louisiana with the adoption of a statewide building code, sending a strong message to the insurance industry and to Washington.